



Nokian Tyres plc
Interim Report January - June, 2012
8 August, 2012

**Strong results and
improving market
position**



Mr. Kim Gran
President and CEO
Nokian Tyres plc

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**Nokian Tyres Fastest on Ice with an electric car:
New World Record 252.09 km/h**

GENERAL OVERVIEW OF 1-6/2012

Strong results and improving market position

Key figures, EUR million:

	4-6/12	4-6/11	Change%	1-6/12	1-6/11	Change%	2011
Net sales	413.8	338.8	22.1	798.0	628.0	27.1	1,456.8
Operating profit	112.7	93.3	20.8	217.7	165.6	31.5	380.1
Profit before tax	108.0	85.4	26.5	210.3	155.3	35.4	359.2
Profit for the period	95.4	74.2	28.6	182.9	136.6	34.0	308.9
Earnings per share, EUR	0.73	0.57	26.7	1.40	1.06	32.2	2.39
Equity ratio, %				62.8	70.2		63.2
Cash flow from operations	-42.5	-49.9	14.8	-163.9	-102.3	-60.3	114.1
RONA,% (roll. 12 months)				26.4	24.1		27.0
Gearing, %				25.9	20.0		-0.3

Summary

- Sales grew on all key markets, in Russia significantly
- Nokian Tyres' market shares up in Russia, Nordics and CE
- Improved sales mix and ASP with more winter tyres, SUV's and Russian sales
- Several test wins for new products supported price increases and improved price position in CE
- Successful cost control secured profitability
- Vianor expanded to 961 stores, addition of 51 in H1/2012
- Capacity increases: production output (tons) up by 27%, line 11 in Russia commenced production

Outlook: Profitable growth in a challenging environment

- The economies in Nokian Tyres' core markets relatively healthy
→ Good order book, Russia spearheading growth
- Increased uncertainty: Distributors limit risks by carrying low stock
→ Sales may shift from Q3 to Q4
- Raw material cost stabilizing and estimated to be the same in 2012 vs. 2011
- Capacity ramp-up proceed as planned:
 - First line in the new factory (11th in Russia) became operative in June
 - Production with line 12 to start in Q4/2012
- Profitability supported by:
 - Improved cost structure, higher sales volume, better mix & ASP
 - Increasing share of Russian production → productivity up
- **Year 2012 guidance:**
 - **In 2012, the company is positioned to improve Net sales and Operating profit compared to 2011.**

GENERAL OVERVIEW OF 1-6/2012

Market overview: Strong demand in core markets, CE down

Car tyres

Russian tyre market volumes improved

- Economies in the Nordic countries and Russia were solid, car sales in Russia picked up by 14%
- Car tyre demand in Russia up by 20% vs. H1/2011. Market growth in the Nordic countries was -1%, in Europe -13%.
- At the end of H1/2012 distributors had some carry-over stocks for both summer and winter tyres

Heavy tyres

Good demand for mining and agriculture tyres

- Good demand in special heavy tyres for mining and agriculture
- Forestry tyre demand recovery leveled off in Q2, outlook uncertain

Currencies

Currencies' effects relatively insignificant

- In 2012 the Euro has been weakening against the RUB, SEK, NOK and USD.

Raw material prices

Raw material prices relatively stable

- Nokian Tyres raw material cost rose by 9.1% YOY, but decreased by 4.3% in Q2/2012 vs. Q1/2012

GENERAL OVERVIEW OF 1-6/2012

Nokian Tyres performance: Strong sales and profitability

Sales and market position

Volumes and market shares up

- + Sales of car tyres grew clearly and Vianor improved slightly
- + Strongest sales growth in Russia, in winter and SUV tyres
- + Test victories of Nokian summer tyres boosted sales
- + Car tyres' market share improved in Russia, Nordic countries and CE
- Demand for forestry tyres lower YOY

Profitability

Improved ASP offset the increased raw material cost

- Raw material cost rose by 9.1% YOY
- + Mix improved & price increases in 2011 → car tyre ASP up
- + Increasing share of Russian sales and production improved margins
- + Profitability supported by higher sales volume vs. moderate growth of fixed costs

Production

Productivity boost from increased production volumes

- + Output (tons) grew by 27% with higher utilization of capacity and growing share of Russian production
- + The new Russian plant in schedule, line 11 commenced production in June
- + Line 12 on stream in Q4/2012
- + Plant in Nokia back in 5-day week for H2/2012

Distribution

Vianor expanding as planned

- + Vianor expanded to 961 stores in 24 countries; increase by 51 stores in H1/2012
- + New Vianor country: Serbia

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FINANCIAL PERFORMANCE

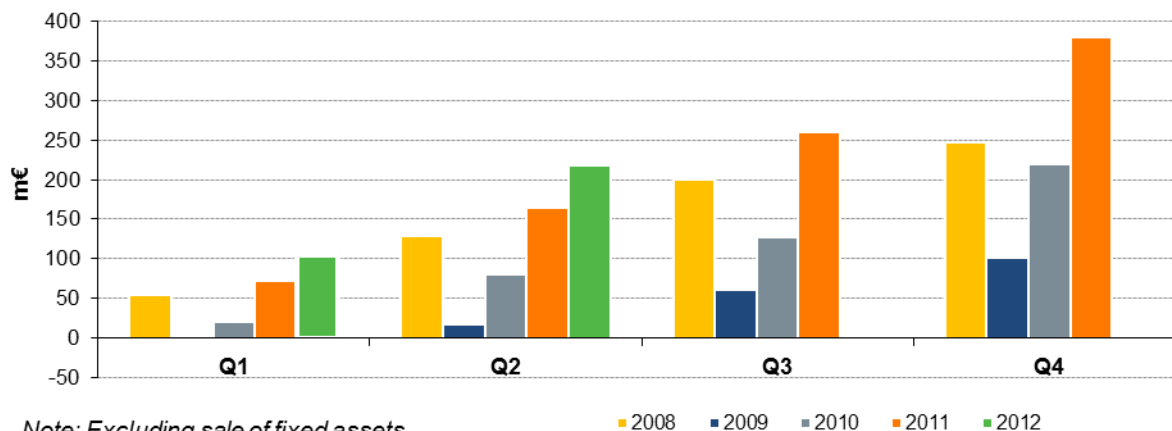
Group operating result per quarter 2008-2012

1-6/2012

Net sales 798.0 m€
(628.0 m€), +27.1%

EBIT 217.7 m€
(165.6 m€), +31.5 %

Cumulative operating profit per quarter (m€)

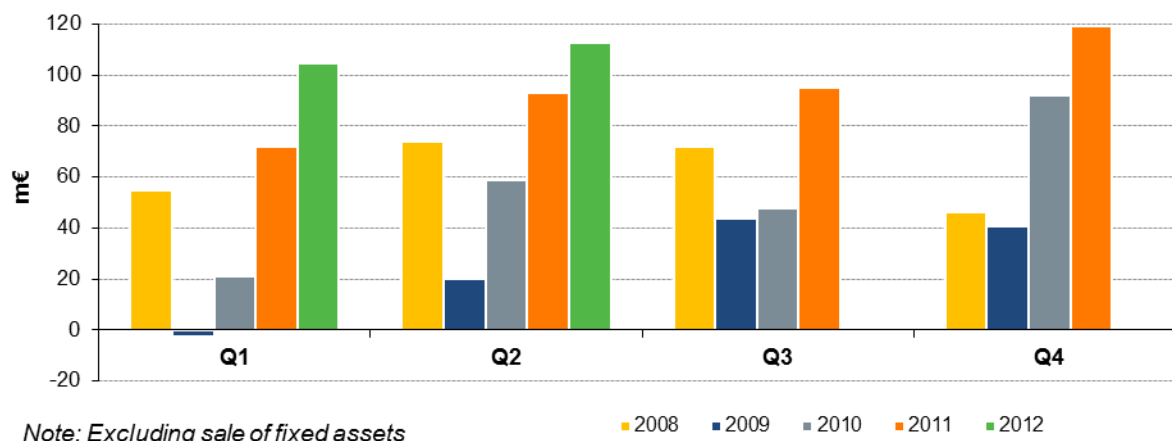


4-6/2012

Net sales 413.8 m€
(338.8 m€), +22.1%

EBIT 112.7 m€
(93.3 m€), +20.8 %

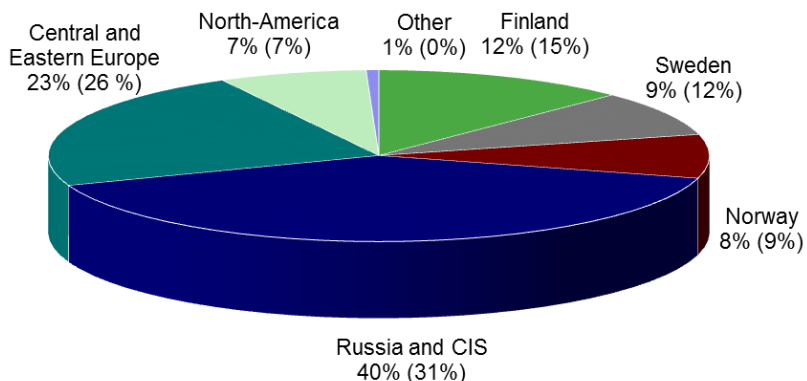
Group operating profit per quarter (m€)



FINANCIAL PERFORMANCE

Gross sales by market area 1-6/2012

Sales of Nokian Tyres Group: 855.8 m€, +29.0%

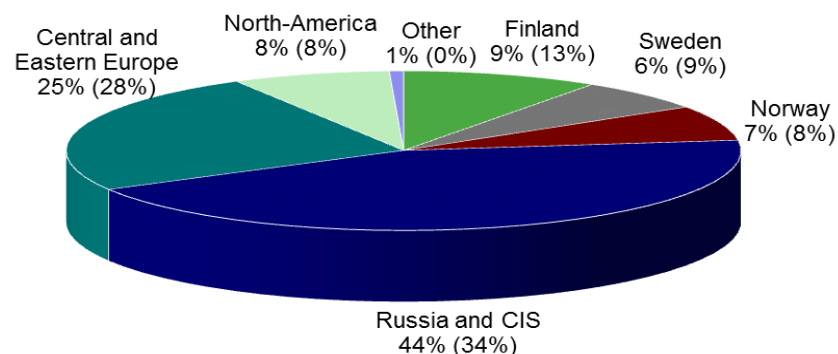


GROUP

Sales development in euros

Nordic countries	+4.6%
Russia and CIS	+67.0%
Central and Eastern Europe	+15.4%
North America	+27.8%

Sales of Manufacturing Units: 780.1 m€, +30.6%



MANUFACTURING

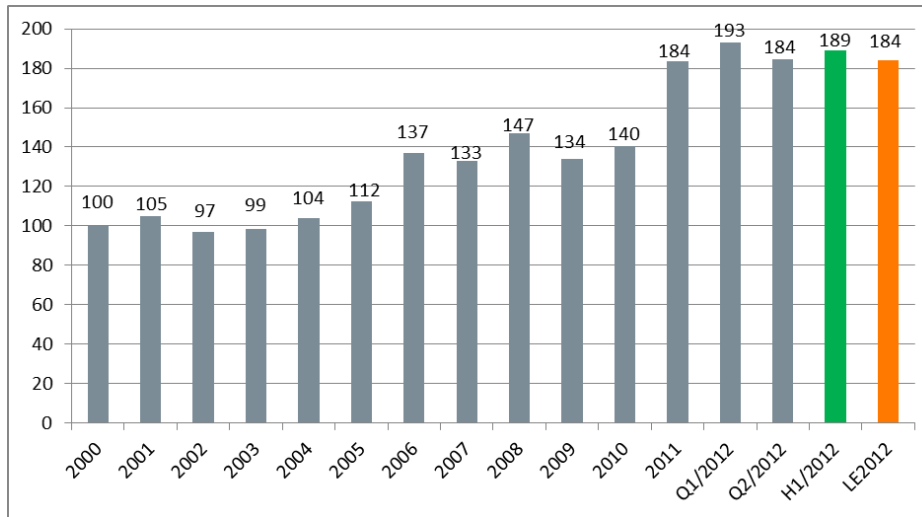
Sales development in euros

Nordic countries	+0.7%
Russia and CIS	+67.0%
Central and Eastern Europe	+15.6%
North America	+29.6%

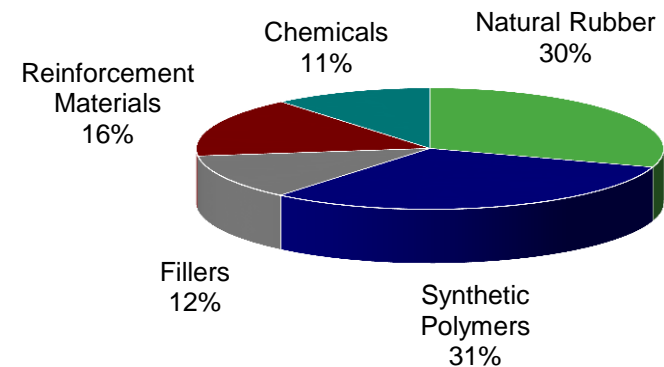
FINANCIAL PERFORMANCE

Raw material cost development

Raw material cost development index 2000-E2012



Value of raw material consumption (%)



Nokian Tyres raw material cost (€/kg)

- **Raw material cost**
 - increased by 2.9% in Q2/2012 vs. Q2/2011
 - decreased by 4.3% in Q2/2012 vs. Q1/2012
 - increased by 9.1% in H1/2012 vs. H1/2011
- **Raw material cost is estimated to**
 - decrease by 2% in Q3/2012 vs. Q2/2012
 - decrease by 5.5% in H2/2012 vs. H2/2011
 - be the same in full year 2012 vs. 2011

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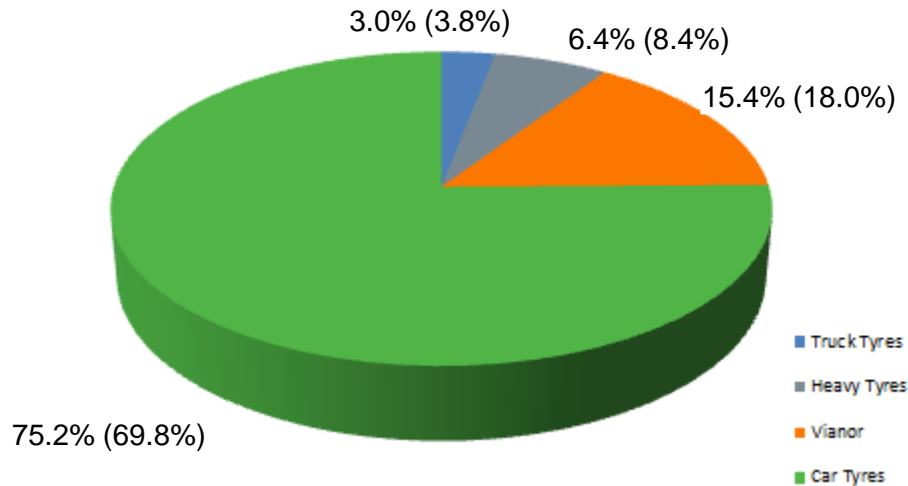
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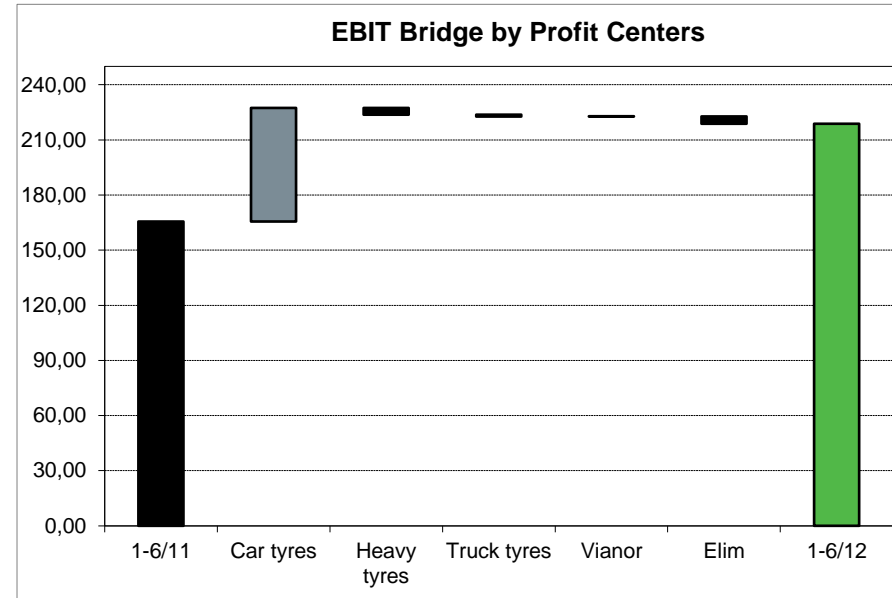
PROFIT CENTRES

General overview 1-6/2012

Net sales 798.0 m€; +27.1%



EBIT 217.7 m€; +31.5%



Passenger Car Tyres

- Net sales: 633.0 m€; +35.1%
- EBIT 228.7 m€; +36.2%
- EBIT margin: 36.1% (35.9%)
- Key products: studded and non-studded winter tyres, high-speed summer tyres

Heavy Tyres

- Net sales: 53.6 m€; -5.5%
- EBIT: 6.3 m€; -36.6%
- EBIT margin: 11.9% (17.7%)
- Key products: tyres for forestry, industrial and agricultural machinery

Truck Tyres

- Net sales: 25.3 m€; -2.0%
- Key products: truck tyres and retreading materials

Vianor

- Net sales: 129.4 m€; +7.3%
- EBIT: -7.2 m€; +1.0%
- EBIT margin: -5.5% (-6.0%)
- 961 stores in 24 countries in Nokian Tyres' core markets

PROFIT CENTRES

Passenger Car Tyres 1-6/2012: Russia spearheads sales growth

Performance in 1-6/2012

- + Strong sales in all market areas, significant growth in Russia
- + Healthy growth from SUV and winter tyre sales
- + Healthy order book
- + Market share up in Russia, Nordic countries and CE
- + Magazine test wins for summer tyres both in Nordic and CE
- + Improved sales mix and previous year's price increases → ASP up
- + Production (pcs) up by 29% vs. H1/2011
- + Productivity up trailing the higher production volume
- + Capacity increase projects proceeded as planned
- Raw material cost increased 9.1% YOY
- Distributors' carry-over stocks built up

Key actions and targets for 2012

- Increase sales, especially in Russia
- Improve market shares in core markets
- Optimize logistics, winter season management
- Improve sales mix & service level
- Defend brand and price position
- Increase production in Russia, lines 11&12 ramp-up
- Improve productivity
- Secure collection of receivables

→ **Focus on optimizing supply capacity & logistics for growing deliveries and controlling inventories & trade receivables**

Net sales:

1-6/2012: 633.0 m€ (468.5 m€); +35.1%

4-6/2012: 317.1 m€ (238.8 m€); +32.8%

EBIT:

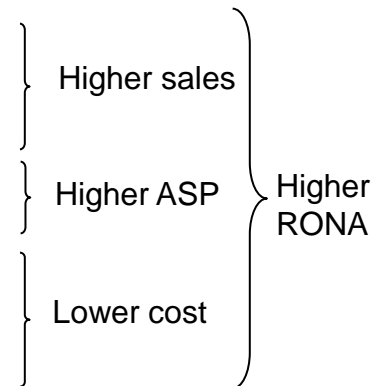
1-6/2012: 228.7 m€ (168.0 m€); +36.2%

4-6/2012: 110.0 m€ (83.9 m€); +31.1%

EBIT margin:

1-6/2012: +36.1% (+35.9%)

4-6/2012: +34.7% (+35.2%)



New Nokian Hakka Blue, multiple test winner in the core markets.

MAGAZINE TESTS

Test success continues – both in summer and in winter

SUMMER TYRES, spring 2012

Nokian Hakka Blue – Wet Performer

Summer tyre for core markets

- Test victories e.g.: Tekniikan Maailma, (Finland), Aftonbladet BIL (Sweden), Motor/NAF (Norway), AutoReview (Russia), Auto Centre (Ukraine)

Nokian Hakka Green – Naturally safe

- Test victories: Tuulilasi, (Finland), Vi Bilägare (Sweden)

Nokian Z G2 – Cool Performer

- Summer tyre for CE. Test victories e.g.:
 - Auto Bild, the biggest car magazine in Europe
 - Gute Fahrt, Auto Bild Allrad, Auto Test

Nokian H summer tyre for CE

- Test victory: Autozeitung



Nokian Hakka Blue



Nokian Hakkapeliitta 7

WINTER TYRES, autumn 2011

Nokian Hakkapeliitta 7 – Next generation studded tyre

- Studded winter tyre family for core markets.

Test victories in magazine tests, e.g.:

- Tuulilasi (Finland), Vi Bilägare (Sweden)
- AutoReview (Russia), Auto Centre (Ukraine)

Nokian Hakkapeliitta R – Safe and reliable friction tyre

- Rolls lightly and gives excellent grip. Test victories:

- Tuulilasi (Finland), Vi Bilägare (Sweden)
- Za Rulem (Russia), Auto Centre (Ukraine)

Nokian WR D3 – for Central European winter

Test victories e.g.:

- Sport Auto (Germany)
- Tekniikan Maailma (Finland)
- Aftonbladet (Sweden)
- Auto Centre (Ukraine), Auto Plus (France)



- Minimum 35% of car tyres' net sales are new products
- Technological leadership
- High investment on winter tyre development & testing

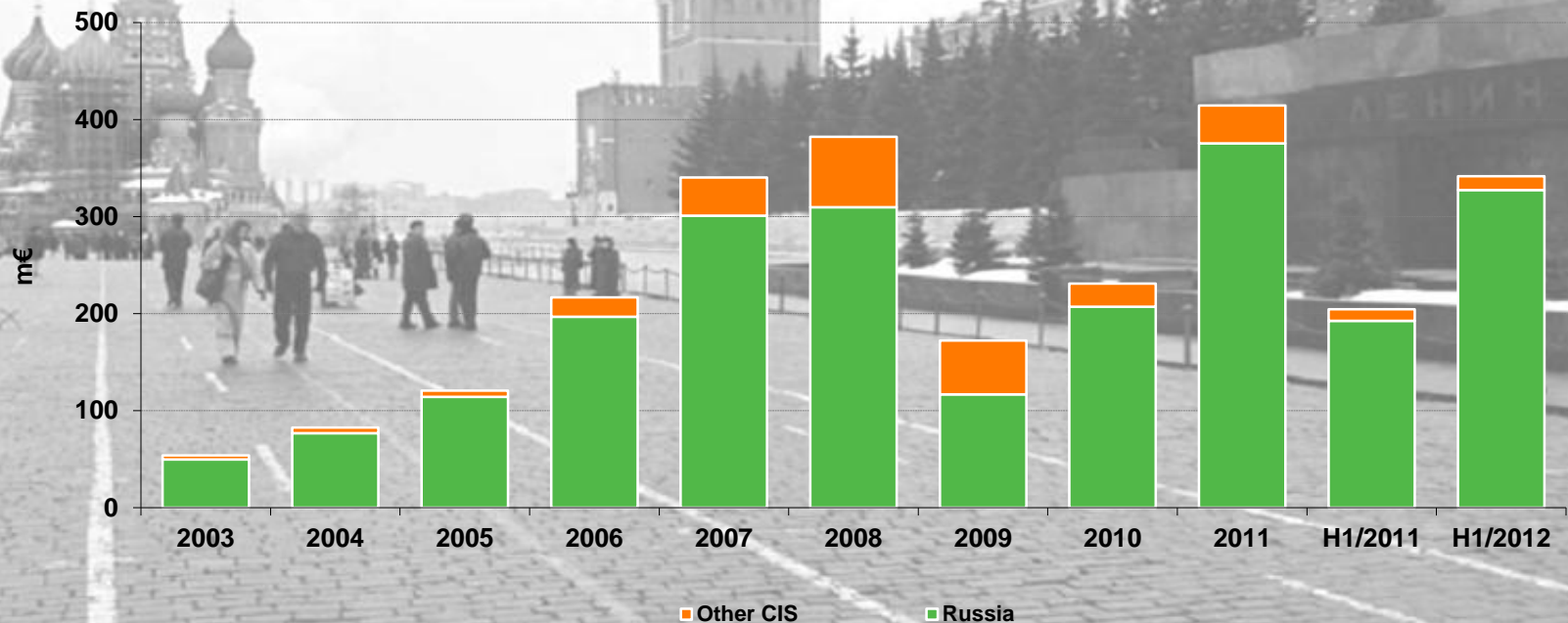
RUSSIA & CIS

Strong sales growth

- Sales in Russia in 1-6/2012 grew by 70.1% to 327.9 m€ (192.8 m€)
 - Good economic situation and continued growth in new car sales
 - Improved production and supply capacity of Nokian Tyres
- Sales in CIS (excluding Russia) increased to 14.1 m€ (12.0 m€)

→ Nokian Tyres is clear market leader in premium tyres in Russia and CIS countries

Russia and other CIS sales development



RUSSIA & CIS:

Distributors, DSD-warehouses and Vianor stores 30 June, 2012



- Distributors (34)
- DSD current cities (Moscow, SPb, Samara/Togliatti, Yekaterinburg, Chelyabinsk, N. Novgorod, Omsk, Rostov-on-Don, Perm, Ufa, Orenburg, Kazan, Voronezh, Tyumen, Volgograd)
- 505 Vianor stores in 297 cities

RUSSIA

Nokian Tyres is the strongest player in Russia

Nokian Tyres' market position in Russia

- State-of-the-art and efficient factory in Russia
 - Close access to markets
 - Within customs zone (duty 20% for import, will gradually decrease to 10% in 5 years)
- Clear market and price leader in core product categories
- Widely recognised and strong brand – both company (Nokian Tyres) and products (Hakkapeliitta, Nordman)
- Strong distribution chain covering all of Russia – based on long-term and close customer relationships
- Only global producer with a controlled tyre distribution network – 505 Vianor stores in Russia and CIS

→ ***Nokian Tyres to further strengthen its market leader position in Russia***

Nokian Tyres' factory in Russia

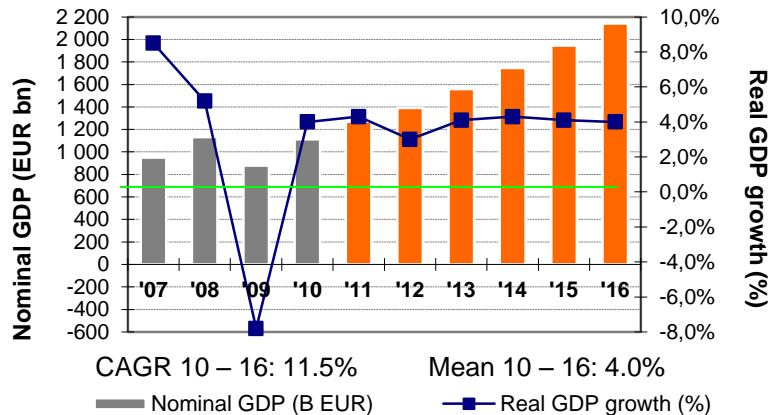
- At the beginning of 2012 annual production capacity in Russia was 11 million tyres with 10 lines operating
- New plant installations in schedule, line 11 on stream since June 2012, line 12 operative during Q4/2012
→ Annual capacity increase of ~3 million tyres by the end of 2012. Two more lines to be installed in 2013-2014.
- State-of-the art machinery, high automation level and European quality standards
- Vsevolozhsk factory exports approximately 50% of its production to 40 countries:
Biggest consumer goods exporter in Russia
- Housing project, Hakkapeliitta Village –
phase II construction in 2012-2013
- Number of personnel in Russia on 30 June, 2012: 1,187 (965)



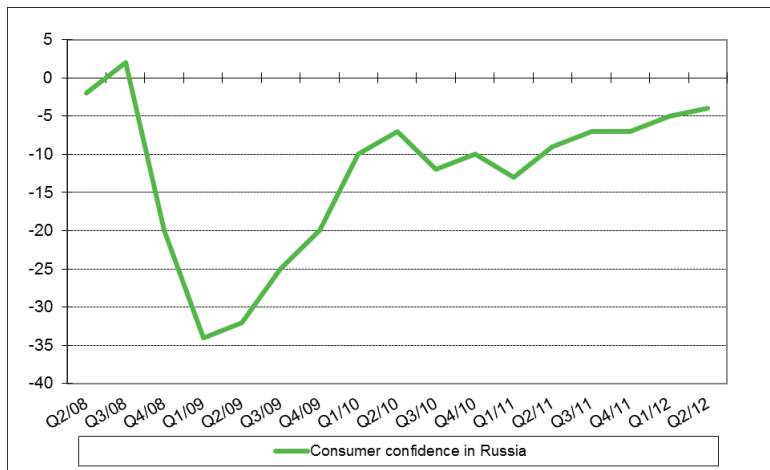
RUSSIA

Russia's economy recovering, but shadowed by global uncertainty

Russia's GDP growth



Consumer confidence in Russia



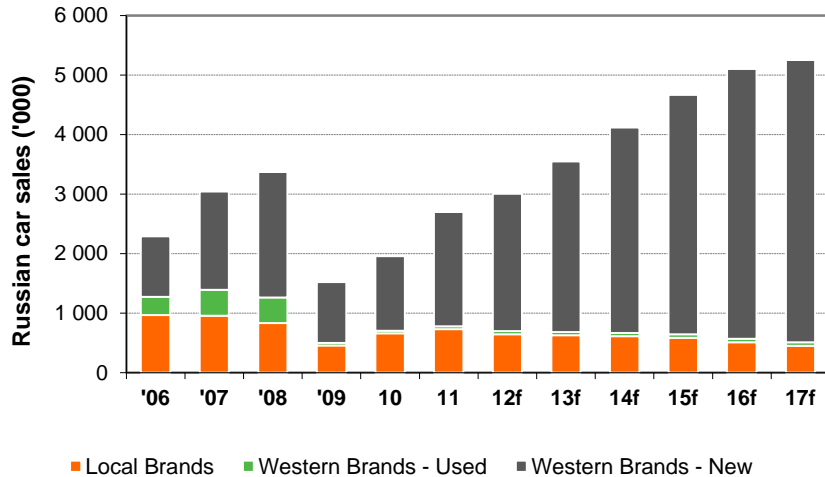
Major trends and expectations

- Russia's economy has clearly recovered from the severe crisis of 2008 - 2009
- Economy grew by ~4% a year in 2010-2011
- Recovery has kept momentum in 2012, backed by high oil and commodity prices
 - Annual real GDP growth estimate in H1/2012 is 4.5%
- Overall growth trend is likely to continue unless major external shocks (e.g. collapse of oil prices) take place: in the base scenario, average GDP growth for 2012-2016 is estimated at >4% a year
- However, some uncertainty has spread in the economy, fueled by the global financial turmoil
- The internal political situation has stabilized and the new government is pursuing a responsible economic policy aimed at ensuring macroeconomic and financial stability
- Consumer confidence has stabilized and practically reached its normal level
- Ruble exchange rate has fluctuated in 2012: in early 2012 it strengthened against major currencies and in Q2 somewhat weakened reflecting the lower oil prices and uncertain prospects of the world economy

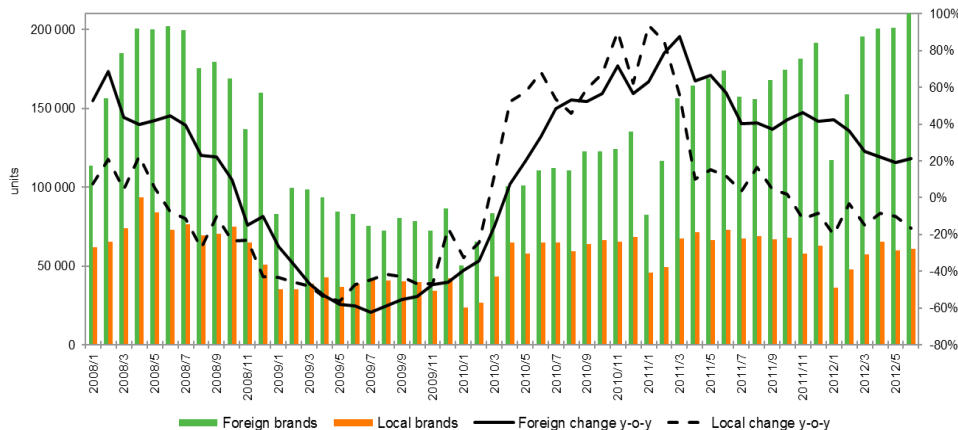
RUSSIA

Car sales steadily on a growth track

Russian car sales forecast – base scenario



Monthly car sales



Source: AEB; IHS Global Insight; Nokian Tyres estimates Jul 2012

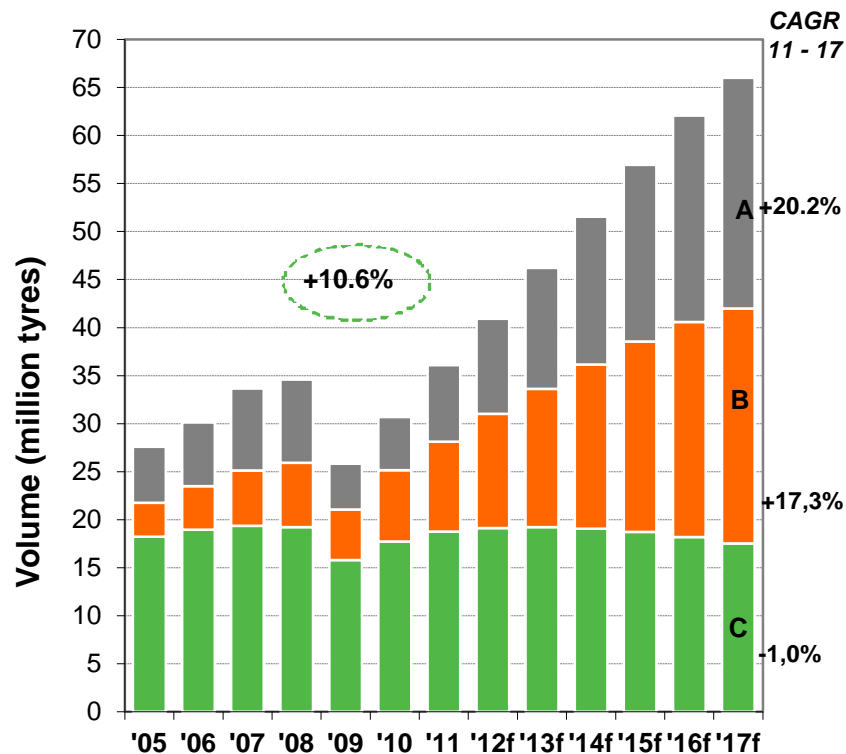
Car market summary

- Sales of new cars and LCVs in Russia increased by 39% in 2011 vs. 2010
- In H1/2012 growth continued, albeit its pace has slowed down
 - The whole H1/2012 showed a 14% total increase vs. H1/2011 and June +10% compared to the same month last year
 - However, the structure of demand is changing towards more expensive brands: during H1/2012 sales of foreign brands increased by 24% whereas local brands lost 10% compared to the same period last year
- Due to rapid recovery of demand the lack of cars continues, as manufacturers have limited quotas for Russia
 - Long lead times remain for many popular brands and models (3 – 6 months, mostly for budget cars and new models)
 - This deferred demand will continue to positively affect sales throughout 2012
- The car market is forecasted to exceed 3 million cars and LCVs in 2012, showing a 10 - 15% growth
- Financing of car purchases continues supporting car sales, with the share of sales financed by banks and car manufacturers reaching its pre-crisis level (up to 50%)

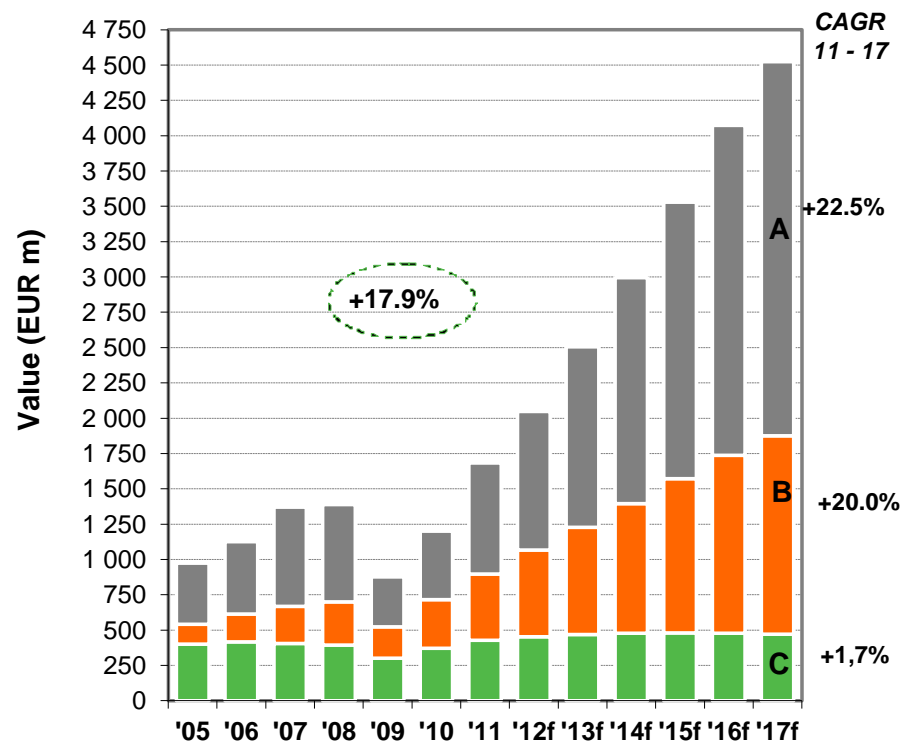
RUSSIA

Tyre market has passed 2008 level and continues to grow

Car and van tyre replacement market (volume)



Car and van tyre replacement market (value)



Note Traditional segments / price positioning: index 100 = market leader; A: > 80; B: 60 – 80; C: <60

Source Nokian Tyres estimates July 2012

PROFIT CENTRES

Vianor 1-6/2012:

Service sales increasing, network expanding as planned

Performance in 1-6/2012

- + Expansion to 961 stores in 24 countries; +51 stores in H1/2012.
New country: Serbia
- + Equity-owned stores' sales improved, especially in tyre retail, car services and tyre hotel services
- + 19 car service operations were acquired and integrated to existing Vianor stores

Key actions and targets for 2012

- Improve tyre sales and market shares
- Increase sales of car services, tyre hotels and other services
- Increase e-commerce sales
- Continue to expand the network and the number of partners.
Target: over 1,000 stores by the end of 2012

→ **Cement and improve market leader position as a distributor in Nokian Tyres' core markets**

Equity-owned Vianor (180 stores)

Net sales:

1-6/2012: 129.4 m€ (120.6 m€); +7.3%

4-6/2012: 79.4 m€ (78.7 m€); +0.9%

EBIT:

1-6/2012: -7.2 m€ (-7.2 m€); +1.0%

4-6/2012: 3.2 m€ (5.9 m€); -45.3%

EBIT margin:

1-6/2012: -5.5% (-6.0%)

4-6/2012: +4.0% (+7.5%)



Vianor store in Germany

EXPANSION OF DISTRIBUTION CHANNEL

Vianor 1-6/2012: Foothold on core markets strengthening

Vianor – 961 stores in 24 countries

- 51 new stores in H1/2012
- 180 equity-owned, 781 franchising/partners
- Largest tyre chain in Nordic and Baltic countries:
267 stores (+10 in H1)
- Largest tyre chain in Russia and CIS:
505 stores (+14 in H1) in 297 cities
- Expansion to Central Europe:
165 stores (+19 in H1)

Vianor stores by segment:

- Car tyres: over 870 stores
- Heavy tyres: nearly 200 stores
- Truck tyres: over 250 stores

Vianor expansion H1/2012:

- New country: Serbia

Target 2012 → over 1,000 Vianor stores

Vianor – Distribution spearhead for all product groups



PROFIT CENTRES

Heavy Tyres 1-6/2012: Profitability down along with utilization rate

Performance in 1-6/2012

- + Sales of mining and radial agricultural tyres increased
- + Sales in Russia and North America grew clearly
- + Sales mix and ASP improved
- + Inventories reduced back to optimal level
- Total sales down due to weaker forestry tyre demand
- Production adjusted to demand: volume down by 15% vs. H1/2011
- Profitability suffered from lower utilization rate and the ramp-up of new machinery
- Order book weaker YOY

Key actions and targets for 2012

- Improve sales mix and share of replacement market sales
 - Maximize sales of radial products
 - Expand the distribution network, especially in Russia and CIS
 - Improve service concepts and logistics (i.e. Vianor Industrial)
 - Accelerate development of new radial and BAS products
 - Ramp-up of new machinery, improve productivity
 - Optimize use of capacity
- **Focus to increase sales to replacement market, expand the Vianor industrial network, launch new products and improve productivity with new machinery**

Net sales:

1-6/2012: 53.6 m€ (56.7 m€); -5.5%

4-6/2012: 26.5 m€ (28.3 m€); -6.1%

EBIT:

1-6/2012: 6.3 m€ (10.0 m€); -36.6%

4-6/2012: 2.6 m€ (4.6 m€); -44.3%

EBIT margin:

1-6/2012: +11.9% (+17.7%)

4-6/2012: +9.6% (+16.2%)



Nokian Mine L-5S

PROFIT CENTRES

Truck Tyres 1-6/2012: Downturn in sales, market shares improved

Performance in 1-6/2012

- + Sales increased in the Nordic countries
- + Market share improved in the Nordic countries and CE
- + Wider range for premium & standard truck tyres
- Order book declined in CE trailing weak demand

Net sales:

1-6/2012: 25.3 m€ (25.8 m€); -2.0%

4-6/2012: 12.7 m€ (15.3 m€); -16.8%

Key actions and targets for 2012

- Optimize off-take contract manufacturing
- Increase sales in Nordic countries, Russia and CIS
- Reduce tyre inventory and trade receivables
- Expand in Eastern Europe utilising the “Vianor truck” concept
- Utilize the combination of new & retreaded tyres as a sales concept
- Utilize the stronger winter product range (incl. Hakkapeliitta truck tyres)

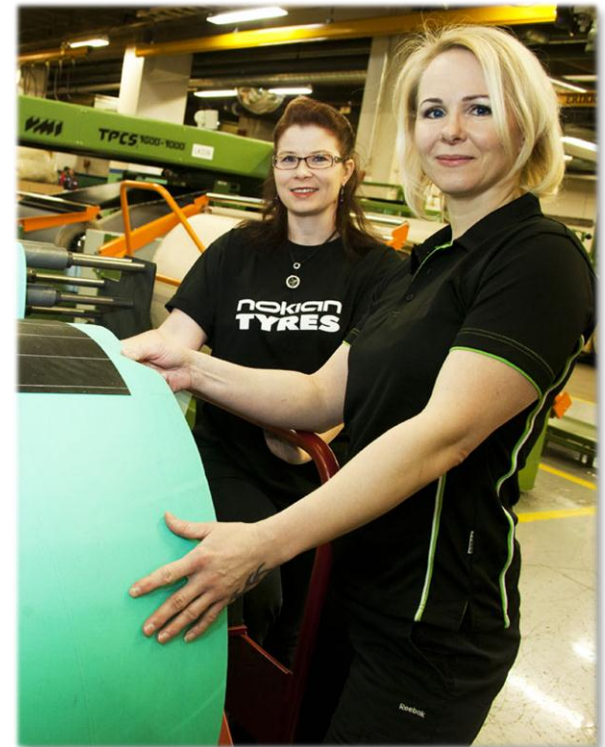
→ **Focus on increasing sales efforts, improving market shares, controlling tyre inventory and trade receivables**



Nokian Hakkapeliitta Truck F

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NOKIAN TYRES GOING FORWARD

Significant investments in 2012 to secure strong profitable growth

Investments in 1-6/2012

- 109.8 m€ (52.6 m€)

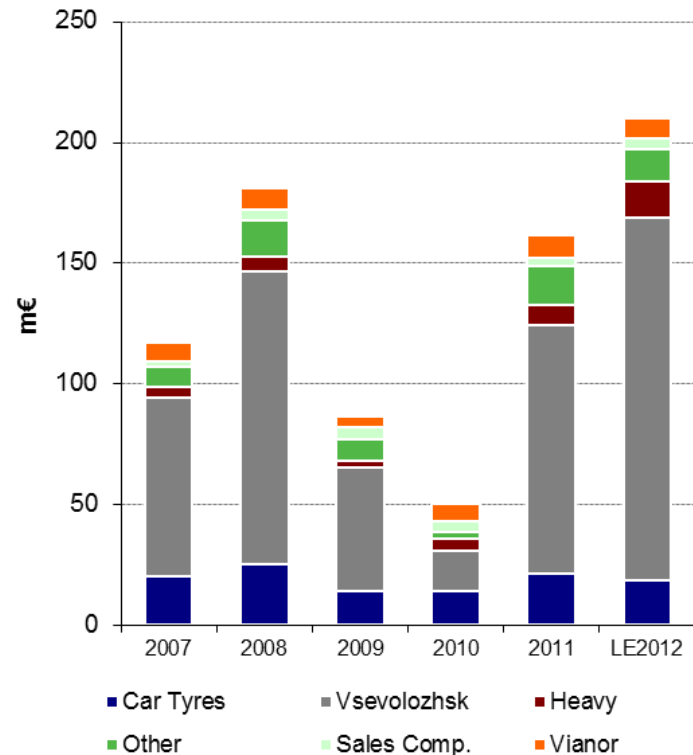
Russia

- Capacity ramp-up and investments
 - 11 lines installed and in production
 - Production line 12 to be installed in Q4/2012
 - Hakkapeliitta Village 2nd stage started

Estimated investments for 2012

- Approximately 210 m€
 - Russia 150 m€
 - Nokia plant 32 m€ (automation, moulds, ICT, R&D)
 - Heavy Tyres 15 m€
 - Sales companies and Vianor 13 m€

Nokian Tyres Capital expenditures (m€)



NOKIAN TYRES GOING FORWARD

Production: 2012 planned combined output 16.5 million car tyres



Nokia, Finland

- R&D, administration and marketing
- Development of key processes
- Prototype production batches
- Special car tyres
- Heavy tyres, retreading materials
- Export to western markets

2010:

- Car tyres to 6-day shift system
- Heavy tyres to 7-day full capacity utilisation

2011:

- Car tyres to 7-day shift system in August
- Investments for increasing productivity through automation
- Expansions in Heavy tyres factory

2012:

- Car tyres to 5-day shift system at the end of Q2



Vsevolozhsk, Russia

- Production of the whole car tyre range with state-of-the-art production technology and lower production costs
- Tax relieves
- Inside the duty borders of Russia and CIS
- Export to all markets
- Possibility to expand in current premises & land area

2010:

- Lines 7 and 8 were taken into use

2011:

- Lines 9 and 10 & new technology into use

2012:

- New factory next to the current one
- 2 new lines, total annual capacity increase ~3 million tyres

2013-2014:

- 2 new lines, additional ~ 3 million tyres

NOKIAN TYRES GOING FORWARD

Outlook for 2012: Sales to improve with improving market position

Assumptions

- Markets: Russia & CIS growing, Nordic countries flat, CE down
 - GDP growth Russia 4%, Nordic 0-2%
 - In Russia strong consumer confidence, increasing sales of new cars
 - Currencies on Nokian core markets expected to be stable
- ASP to increase single digits
- Raw material cost (€/kg) estimations
 - Cost estimated to decrease in H2/2012 vs. H1/2012
 - Cost estimated to be the same in 2012 vs. 2011
- Passenger car tyre operation environment
 - Carry-over distributor inventories
 - Demand improving for winter tyres, legislation in Europe
- Heavy tyre market demand
 - Demand in 2012 softer than in 2011
- Nokian Tyres financial position remains solid
 - No major loans due for payment in 2012
 - Equity ratio 62.8% in H1/2012
 - Undrawn facilities available

Outlook: Profitable growth in a challenging environment

- The economies in Nokian Tyres' core markets relatively healthy
→ Good order book, Russia spearheading growth
- Increased uncertainty: Distributors limit risks by carrying low stock
→ Sales may shift from Q3 to Q4
- Raw material cost stabilizing and estimated to be the same in 2012 vs. 2011
- Capacity ramp-up proceed as planned:
 - First line in the new plant (11th in Russia) became operative in June
 - Production with line 12 to start in Q4/2012
- Profitability supported by:
 - Improved cost structure, higher sales volume, better mix & ASP
 - Increasing share of Russian production → productivity up
- **Year 2012 guidance:**
 - **In 2012, the company is positioned to improve Net sales and Operating profit compared to 2011.**

Instructions to conference call attendees

Please press and to inform the operator that you have a question to the speaker.

INDEX

1. General overview of 1-6/2012
2. Nokian Tyres financial performance
3. Profit centres and Russian operations
4. Nokian Tyres going forward
5. Appendixes
 - Major shareholders
 - Competitor comparison
 - Share price development
 - Magazine test results
 - Examples of new products and innovations
 - Personnel
 - Financing: Loans and Net Financial Expenses
 - Tables of financial figures

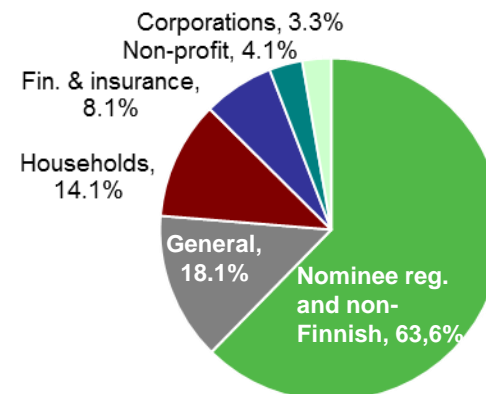


APPENDIX

Major shareholders as of 30 June, 2012

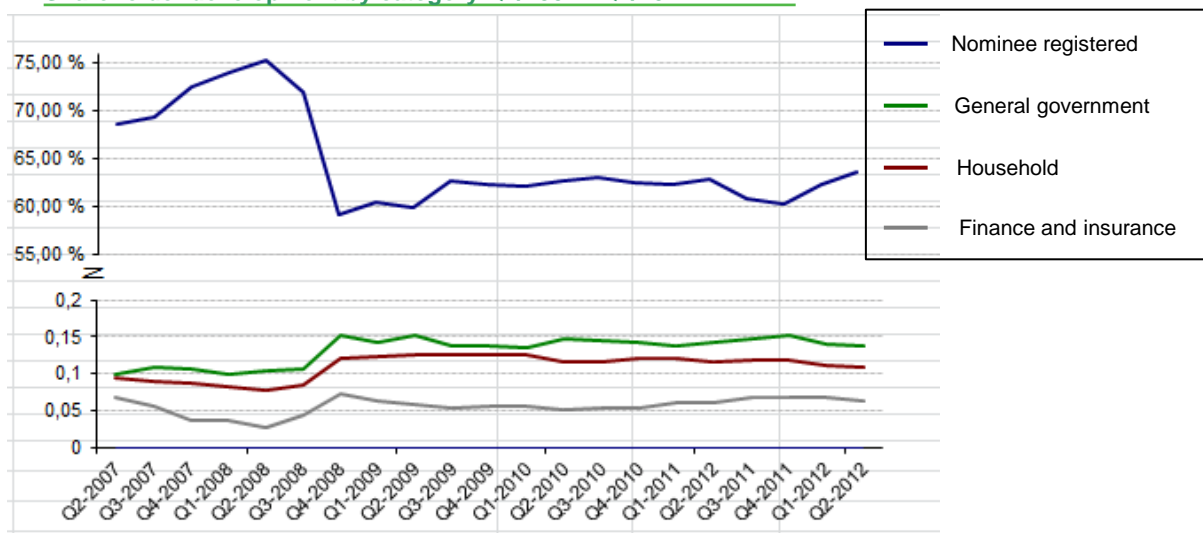
		Number of Shares	Share of Capital (%)	Change from previous month
Major Domestic Shareholders				
1	Varma Mutual Pension Insurance Company	9 000 000	6,83	0
2	Ilmarinen Mutual Pension Insurance Company	5 103 023	3,87	-384 307
3	Nordea	1 617 169	1,23	44 207
4	OP Investment Funds	1 290 611	0,98	-29 389
5	The State Pension Fund	1 259 000	0,95	0
6	Tapiola Mutual Pension Insurance Company	800 000	0,61	0
7	Nordea Nordenfonden	743 957	0,56	-19 945
8	The Local Government Pensions Institution	635 372	0,48	-307 569
9	Danske Fund Finnish Institutional Equity	553 184	0,42	-80 000
10	The Finnish Cultural Foundation	491 000	0,37	0
Major Domestic Shareholders total		21 493 316	16.3	
Foreign Shareholders ¹⁾		83 824 488	63.6%	
Bridgestone Europe NV/SA ²⁾		20 000 000	15.2%	

Division by Category as of 30 June, 2012



Total number of shares: 131,862,726

Shareholder development by category Q2/2007 - Q2/2012



Note: Options, outstanding (30 June, 2012)

2007C: 1,487,794 (1,112,950 in company's possession)

2010A: 1,319,799 (84,439 in company's possession)

2010B: 1,340,000 (166,800 in company's possession)

2010C: 1,340,000 (90,000 in company's possession)

1) Includes also shares registered in the name of a nominee.

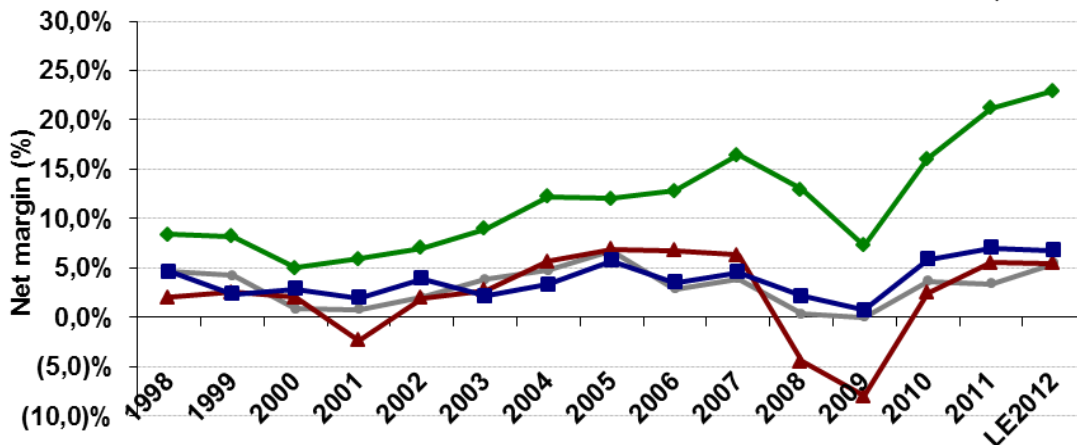
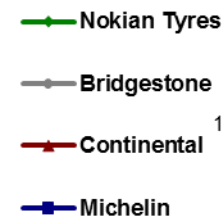
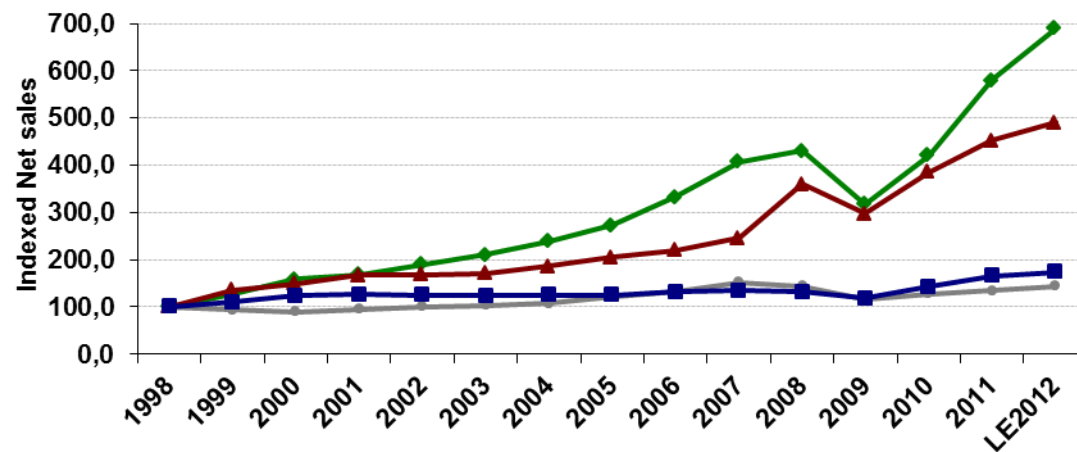
2) In the name of a nominee.

APPENDIX

Competitor comparison 1998-E2012:

Nokian Tyres the most profitable tyre producer

Nokian Tyres' operational performance (growth and profitability) has been clearly better than that of the main peers during the past 10 years. The clearly better profitability protects the company profits during recessions and potential downturns.



Net sales change

CAGR 2009 – E2012

Nokian	29.5%
Michelin	13.5%
Bridgestone	7.3%
Continental	18.0%

Net margin E2012

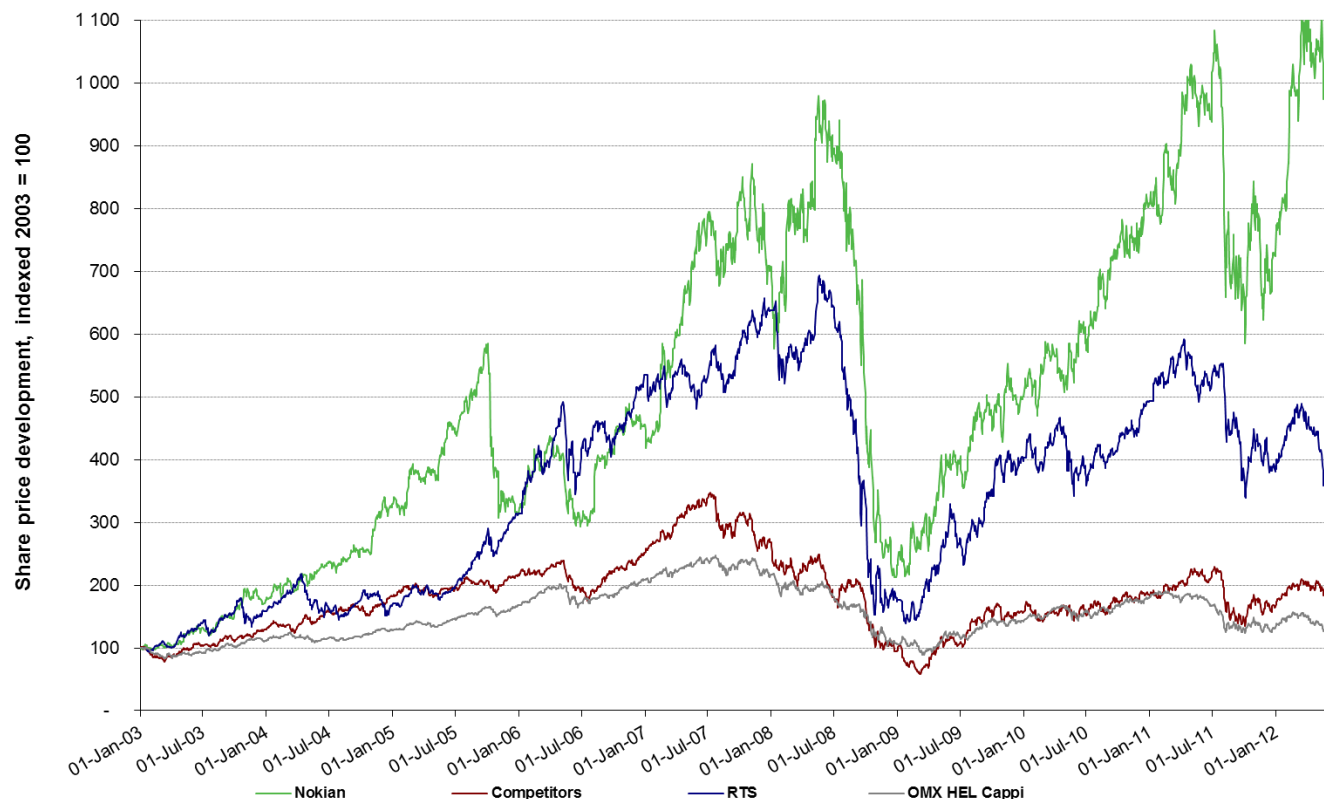
Nokian	23.0%
Michelin	6.8%
Bridgestone	5.5%
Continental	5.5%

Source: Results 1998-2011 (company websites) and 2012 consensus estimates for the peers as per Reuters 1 August 2012.

PLEASE NOTE: ESTIMATE 2012 IS BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE.

APPENDIX

Comparing share price development to main indexes 1/2003 - 6/2012



Nokian Tyres, +778%

RTS, +276%

Competitors, +93% ¹⁾

OMX HEL Cap, +27%

Source: Reuters, as of 1 Aug 2012.















1) The composite consists of an indexed average values of the main peers of Nokian Tyres.

Nokian Tyres by Jun-29-2012

	Last 9 years	Last 5 years	Last 3 years	LTM	L6M	L3M	Last month
High	37,88	37,88	37,88	37,88	37,88	37,88	30,49
Average	18,12	23,00	24,74	29,27	32,34	32,97	28,71
Low	4,08	7,23	12,05	19,89	25,82	27,27	27,27

APPENDIX

Test wins – spring 2012

	205/55R16 Nokian Hakka Green	1/9	Best handling on test. Well balanced properties.
 <small>Sveriges störste bildning</small>	205/55R16 Nokian Hakka Green	1/7	Very good wet properties.
	205/55R16 Nokian Hakka Blue	1/9	Excellent wet properties.
	225/45R17 Nokian Z G2	Shared 1/15	Excellent properties on all road surfaces. Low fuel consumption.
	205/55R16 Nokian Hakka Blue	Shared 1/10	Excellent properties on wet and dry roads.
	185/60R15 Nokian H	1/7	Excellent properties on all road conditions. low rolling resistance.
	205/55R16 Nokian Hakka Blue	Shared 1/10	Excellent properties on wet and dry roads.
	205/55R16 Nokian Hakka Blue 185/60R14 Nokian Hakka Green	Shared 1/10 1/7	Excellent properties on wet and dry roads. Good handling and grip properties on wet and dry. Low rolling resistance.
	205/55R16 Nokian Hakka Blue	Shared 1/10	Excellent properties on wet and dry roads.
	225/45R17 Nokian Z G2	Shared 1/6	Excellent wet road properties. Good comfort, quiet, low rolling resistance.
 <small>Motor, Norway</small>	205/55R16 Nokian Hakka Blue	Shared 1/10	Excellent properties on wet and dry roads.
	235/55R17 Nokian Z G2	Shared 1/8	Excellent properties on wet. Very good on dry road. Very quiet.
	225/45R17 Nokian Z G2	Shared 1/15	Very good in all circumstances. Low fuel consumption.
	235/65R17 Nokian Z SUV	1/6	Very good in wet conditions. Safe handling properties. Low Rolling Resistance.

APPENDIX

Examples of new products and innovations

Nokian Hakka Blue – Summer tyre for core markets

- Top performance for wet roads, comfort and economy from spring to autumn
- Tailor-made for the northern roads, the newest member of the Hakka summer tyre range offers the best possible traction and precise handling for challenging wet roads
- The new innovations, the Dry Touch Sipe and Swoop Grooves
- The Hakka Blue range will offer products in both the V (240 km/h) and W (270 km/h) speed ratings



Nokian Hakka Green – Summer tyre for core markets

- Environmentally friendly novelty, extremely low rolling resistance
→ Fuel savings and less carbon dioxide emissions
- Superior grip and driving response
- If all Finnish car drivers would use Nokian Hakka Green tyres, annual fuel savings would be over 114 million litres, which corresponds to 2,077 trailer loads. Carbon dioxide emissions would decrease by some 296,000 tonnes



Nokian WR – Winter tyre for Central Europe

- Advanced new-generation tyre family for any winter weather
- Environmentally friendly premium products feature nanotechnology, canola oil and the solid winter expertise of Nokian Tyres
- Nokian WR D3 for the economic driver (smaller sizes)
- Nokian WR A3 for sporty use (bigger sizes)



Beyond All-Steel Radial – Challenging All-Steel special tyres

- Revolutionary technology of the future, used in harbour, mining and earthmoving machinery tyres
- Unique technical solution combining a multi-layer textile structure with a modern radial structure
- Better stability, longer life time, enhanced safety
- First top product: the Nokian BAS HTS Straddle harbour tyre

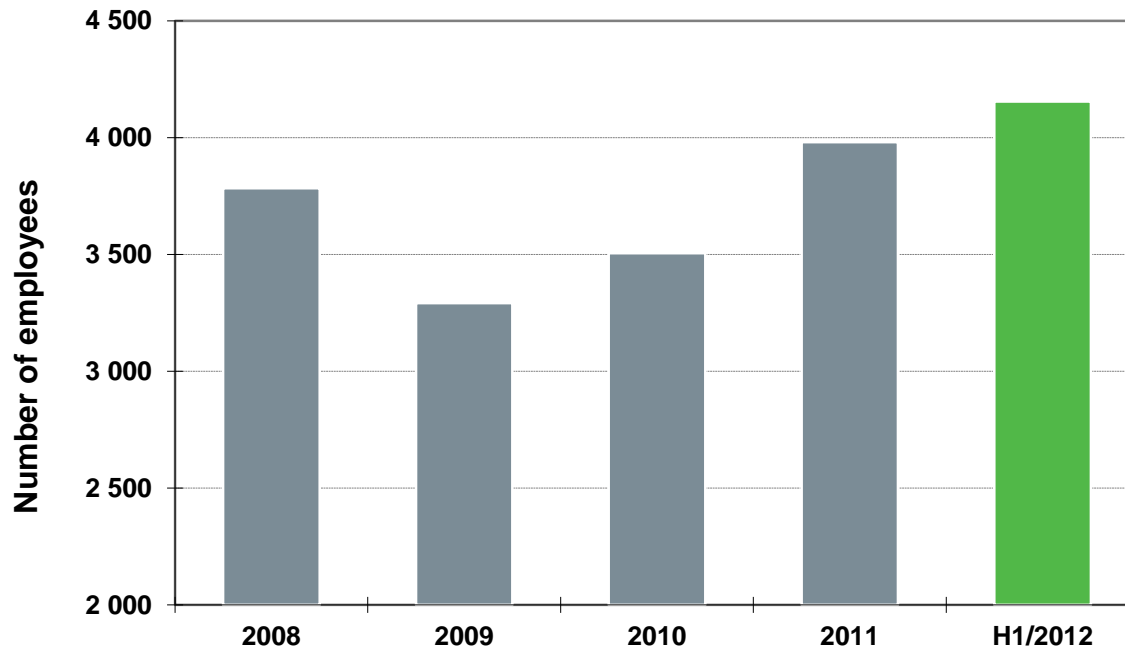


APPENDIX

Personnel 30 June, 2012

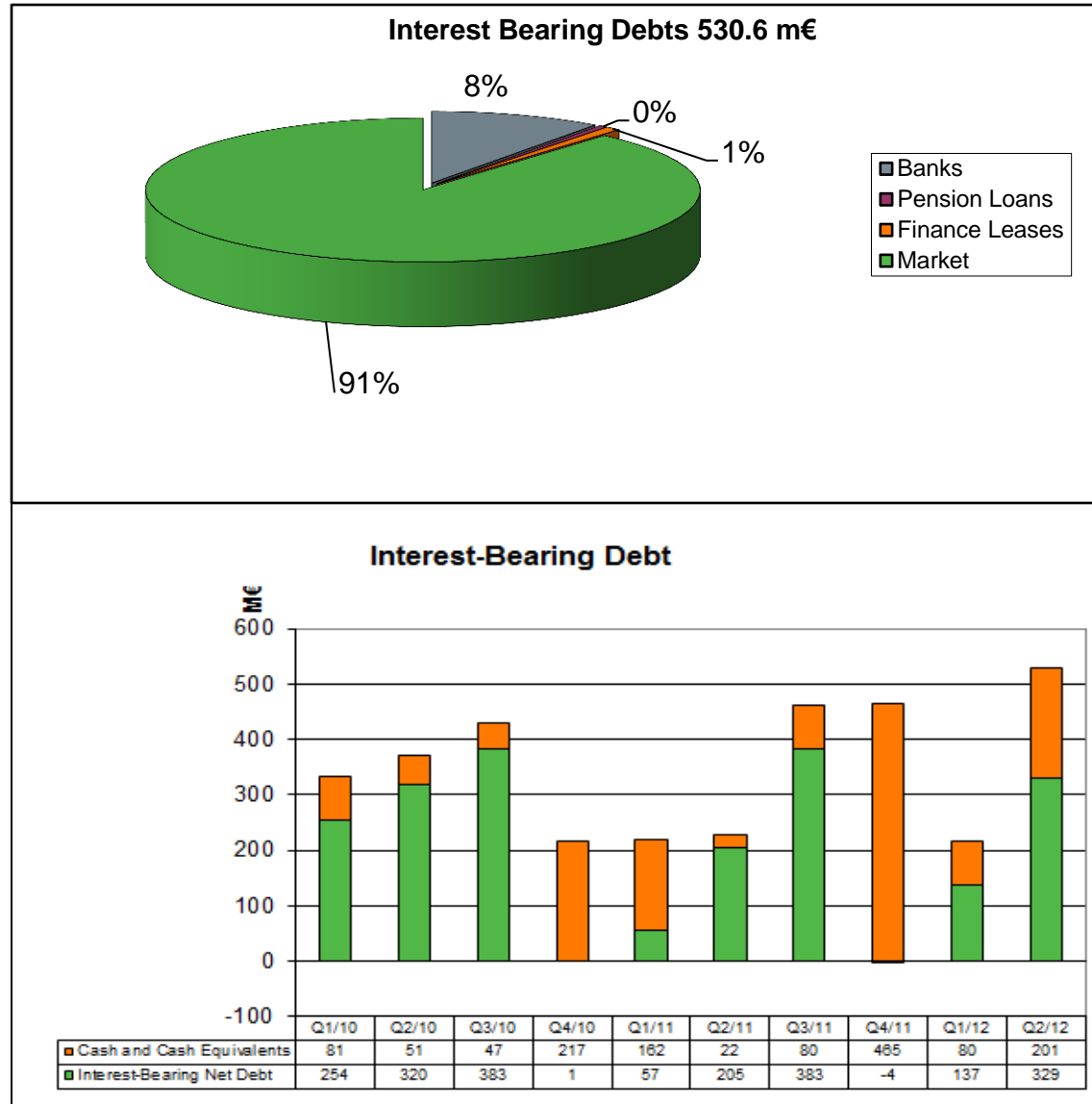
Personnel 30 June 2012: 4,155 (3,786)

- Equity-owned Vianor: 1,413 (1,317)
- Russia: 1,187 (965)



APPENDIX

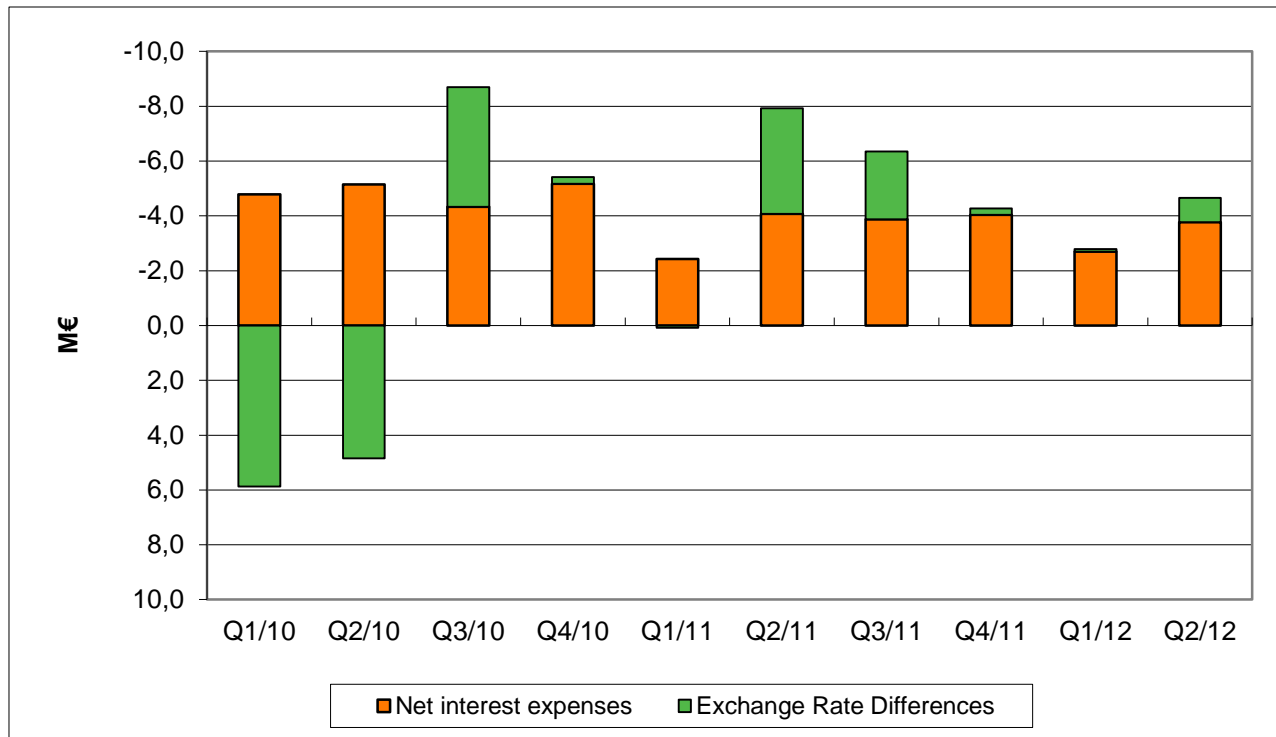
Financing: Loans on 30 June, 2012



APPENDIX

Financing: Net Financial Expense

Net Financial Expense Q2/2012: 4.7 m€ (Q2/2011: 7.9 m€)



APPENDIX

Consolidated Income Statement

Million euros	4-6/12	4-6/11	1-6/12	1-6/11	Last 12 months	1-12/11	Change %
Net sales	413.8	338.8	798.0	628.0	1,626.9	1,456.8	27.1
Cost of sales	-228.2	-181.1	-435.5	-336.7	-904.5	-805.8	-29.3
Gross profit	185.5	157.7	362.5	291.2	722.3	651.0	24.5
Other operating income	0.4	0.5	0.8	1.2	1.4	1.8	
Selling and marketing expenses	-57.3	-51.8	-112.3	-103.3	-225.6	-216.5	-8.7
Administration expenses	-8.6	-8.3	-16.9	-14.5	-31.8	-29.4	-16.6
Other operating expenses	-7.3	-4.8	-16.4	-9.0	-34.2	-26.8	-82.0
Operating profit	112.7	93.3	217.7	165.6	432.2	380.1	31.5
Financial income	26.9	15.0	64.0	49.6	105.2	90.9	28.9
Financial expenses	-31.5	-23.0	-71.4	-59.9	-123.3	-111.8	-19.2
Profit before tax	108.0	85.4	210.3	155.3	414.1	359.2	35.4
Tax expense (1)	-12.7	-11.2	-27.3	-18.7	-58.9	-50.3	-45.9
Profit for the period	95.4	74.2	182.9	136.6	355.3	308.9	34.0
Attributable to:							
Equity holders of the parent	95.4	74.2	182.9	136.6	355.3	308.9	
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent							
basic, euros	0.73	0.57	1.40	1.06		2.39	32.2
diluted, euros	0.71	0.57	1.36	1.05		2.32	29.4
1)Tax expense in the consolidated income statement is based on the taxable result for the period.							

APPENDIX

Consolidated Other Comprehensive Income

Million euros	4-6/12	4-6/11	1-6/12	1-6/11	1-12/11
Profit for the period	95.4	74.2	182.9	136.6	308.9
Other comprehensive income, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	0.9	0.4	-8.5	0.6	-2.9
Cash flow hedges	0.0	-0.9	0.2	0.7	-1.4
Translation differences on foreign operations	-25.8	-1.8	19.6	4.4	-7.6
Total other comprehensive income for the period, net of tax	-24.9	-2.2	11.3	5.7	-11.9
Total comprehensive income for the period	70.5	71.9	194.3	142.5	297.0
Total comprehensive income attributable to:					
Equity holders of the parent	70.5	71.9	194.3	142.5	297.0
Non-controlling interest	0.0	0.0	0.0	0.0	0.0

APPENDIX

Key Ratios

KEY RATIOS	30.6.12	30.6.11	31.12.11	Change
				%
Equity ratio, %	62.8	70.2	63.2	
Gearing, %	25.9	20.0	-0.3	
Equity per share, euro	9.65	7.92	9.15	21.7
Interest-bearing net debt, mill. euros	329.3	205.0	-3.6	
Capital expenditure, mill. euros	109.8	52.6	161.7	
Depreciation, mill. euros	39.6	35.4	71.6	
Personnel, average	4,078	3,727	3,866	
Number of shares (million units) at the end of period	131.86	129.48	129.61	
in average	130.55	128.68	129.12	
in average, diluted	137.07	135.90	135.70	

APPENDIX: Consolidated Statement Of Financial Position

Million euros	30/6/12	30/6/11	31.12.11		
Non-current assets					
Property, plant and equipment	629.5	503.6	560.4		
Goodwill	65.7	60.1	63.8		
Other intangible assets	24.6	19.8	22.6		
Investments in associates	0.1	0.1	0.1		
Available-for-sale financial assets	0.3	0.3	0.3		
Other receivables	19.5	21.4	17.9		
Deferred tax assets	6.9	19.2	5.4		
Total non-current assets	746.6	624.5	670.4		
Current assets					
Inventories	378.4	310.3	324.0		
Trade receivables	609.0	419.8	335.3		
Other receivables	94.5	84.9	81.6		
Cash and cash equivalents	201.4	22.4	464.5		
Total current assets	1,283.2	837.4	1,205.5		
Equity					
Share capital	25.4	25.4	25.4		
Share premium	181.4	181.4	181.4		
Translation reserve	-70.4	-66.0	-81.5		
Fair value and hedging reserves	-1.8	0.1	-2.0		
Paid-up unrestricted equity reserve	78.7	34.4	35.4		
Retained earnings	1,058.7	850.7	1,027.2		
Non-controlling interest	0.3	0.0	0.3		
Total equity	1,272.3	1,026.0	1,186.1		
Non-current liabilities					
Deferred tax liabilities	26.5	30.3	31.2		
Provisions	0.1	0.1	0.0		
Interest bearing financial liabilities	336.0	203.2	207.6		
Other liabilities	3.0	1.4	2.5		
Total non-current liabilities	365.6	234.9	241.2		
Current liabilities					
Trade payables	78.1	86.7	88.4		
Other current payables	117.7	87.8	104.9		
Provisions	1.4	2.2	1.8		
Interest-bearing financial liabilities	194.6	24.2	253.4		
Total current liabilities	391.9	201.0	448.5		
Total assets	2,029.8	1,461.9	1,875.9		
Changes in net working capital arising from operative business are partly covered by EUR 350 million domestic commercial paper programme.					

APPENDIX: Consolidated Statement Of Cash Flows

Million euros		1-6/12	1-6/11	1-12/11
Cash flows from operating activities:				
Cash generated from				
operations		-53.1	-64.2	272.2
Financial items and taxes		-61.0	-26.3	-39.3
Net cash from operating				
activities		-114.1	-90.5	232.9
Cash flows from investing activities:				
Net cash used in investing				
activities		-98.6	-53.5	-158.3
Cash flows from financing activities:				
Proceeds from issue of share				
capital		43.3	26.4	27.4
Change in current financial				
receivables and debt		-58.8	11.1	239.6
Change in non-current financial				
receivables and debt		121.5	-4.3	-8.9
Dividends paid		-156.6	-83.7	-83.7
Net cash from financing				
activities		-50.7	-50.5	174.3
Net change in cash and cash				
equivalents		-263.4	-194.5	248.9
Cash and cash equivalents at				
the beginning of the period		464.5	216.6	216.6
Effect of exchange rate changes		0.2	0.3	-0.9
Cash and cash equivalents at				
the end of the period		201.4	22.4	464.5

APPENDIX

Consolidated Statement Of Changes In Equity

			Equity attributable to equity holders of the parent						
Million euros		A	B	C	D	E	F	G	H
Equity, Jan 1st 2011		25.4	181.4	-71.1	-0.6	8.0	793.9	0.0	937.2
Profit for the period							136.6		136.6
Other comprehensive income, net of tax:									
Cash flow hedges					0.7				0.7
Net investment hedge				0.6					0.6
Translation differences				4.4					4.4
Total comprehensive income for the period				5.0	0.7		136.6		142.3
Dividends paid							-83.7		-83.7
Exercised warrants						26.4			26.4
Share-based payments							3.8		3.8
Total transactions with owners for the period						26.4	-79.9		-53.5
Equity, Jun 30th 2011		25.4	181.4	-66.0	0.1	34.4	850.6	0.0	1,026.0
Equity, Jan 1st 2012		25.4	181.4	-81.5	-2.0	35.4	1,027.2	0.3	1,186.1
Profit for the period							182.9	0.0	182.9
Other comprehensive income, net of tax:									
Cash flow hedges					0.2				0.2
Net investment hedge				-8.5					-8.5
Translation differences				19.6				0.0	19.6
Total comprehensive income for the period				11.1	0.2		182.9	0.0	194.3
Dividends paid							-156.6		-156.6
Exercised warrants						43.3			43.3
Share-based payments							5.2		5.2
Total transactions with owners for the period						43.3	-151.4		-108.1
Equity, Jun 30th 2012		25.4	181.4	-70.4	-1.8	78.7	1,058.7	0.3	1,272.3

A = Share capital
 B = Share premium
 C = Translation reserve
 D = Fair value and hedging reserves
 E = Paid-up unrestricted equity reserve
 F = Retained earnings
 G = Non-controlling interest
 H = Total equity

APPENDIX

Segment Information

Million euros	4-6/12	4-6/11	1-6/12	1-6/11	1-12/11	Change %
Net sales						
Passenger car tyres	317.1	238.8	633.0	468.5	1,071.1	35.1
Heavy tyres	26.5	28.3	53.6	56.7	112.8	-5.5
Vianor	79.4	78.7	129.4	120.6	298.4	7.3
Other operations	16.4	19.3	31.3	32.1	73.8	-2.7
Eliminations	-25.7	-26.2	-49.2	-49.9	-99.3	1.4
Total	413.8	338.8	798.0	628.0	1,456.8	27.1
Operating result						
Passenger car tyres	110.0	83.9	228.7	168.0	365.1	36.2
Heavy tyres	2.6	4.6	6.3	10.0	17.2	-36.6
Vianor	3.2	5.9	-7.2	-7.2	2.3	1.0
Other operations	0.1	-1.2	-3.0	-0.7	-1.1	-345.7
Eliminations	-3.1	0.0	-7.2	-4.5	-3.4	-59.4
Total	112.7	93.3	217.7	165.6	380.1	31.5
Operating result, % of net sales						
Passenger car tyres	34.7	35.2	36.1	35.9	34.1	
Heavy tyres	9.6	16.2	11.9	17.7	15.3	
Vianor	4.0	7.5	-5.5	-6.0	0.8	
Total	27.2	27.5	27.3	26.4	26.1	
Cash Flow II						
Passenger car tyres	-33.0	-22.6	-122.4	-36.7	151.9	-233.8
Heavy tyres	-2.1	-5.3	-11.5	-13.1	5.2	12.0
Vianor	-3.0	-7.9	-8.5	-20.1	-23.3	57.8
Total	-42.5	-49.9	-163.9	-102.3	114.1	-60.3

APPENDIX

Contingent Liabilities

Million euros		30.6.12	30.6.11	31.12.11
FOR OWN DEBT				
Mortgages		1.1	1.0	1.1
Pledged assets		0.1	0.0	0.1
The amount of debts with security				
OTHER OWN COMMITMENTS				
Guarantees		3.3	6.1	3.3
Leasing and rent commitments		89.5	97.2	99.2
Purchase commitments		3.0	1.7	2.8
DERIVATIVE FINANCIAL INSTRUMENTS		30.6.12	30.6.11	31.12.11
Million euros				
INTEREST RATE DERIVATIVES				
Interest rate swaps				
Notional amount		70.7	59.9	41.3
Fair value		-1.6	-0.7	-1.4
FOREIGN CURRENCY DERIVATIVES				
Currency forwards				
Notional amount		655.7	412.7	651.0
Fair value		9.2	-0.8	-10.7
Currency options, purchased				
Notional amount		47.8	64.6	-
Fair value		0.6	0.9	-
Currency options, written				
Notional amount		96.1	113.1	-
Fair value		-1.1	-0.9	-
ELECTRICITY DERIVATIVES				
Electricity forwards				
Notional amount		15.2	16.3	16.5
Fair value		-2.2	0.5	-1.9

APPENDIX

Definitions Of Consolidated Key Financial Indicators

Earnings per share, euro:

Result for the period attributable to the equity holders of the parent / Average adjusted number of shares during the period

Earnings per share (diluted), euro:

Result for the period attributable to the equity holders of the parent / Average adjusted and diluted number of shares during the period

- The share options affect the dilution as the average share market price for the period exceeds the defined subscription price.

Equity ratio, %:

$\text{Total equity} \times 100 / (\text{Total assets} - \text{advances received})$

Gearing, %:

$\text{Interest-bearing net debt} \times 100 / \text{Total equity}$

Equity per share, euro:

Equity attributable to equity holders of the parent / Adjusted number of shares on the reporting date

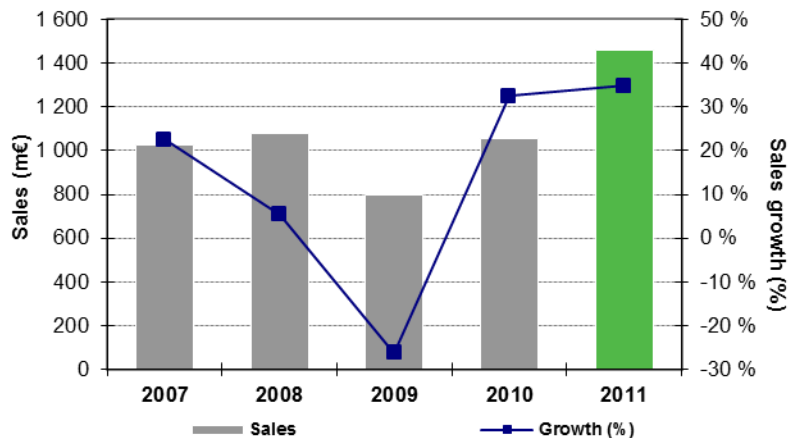
Operating margin:

Operating result, % of net sales

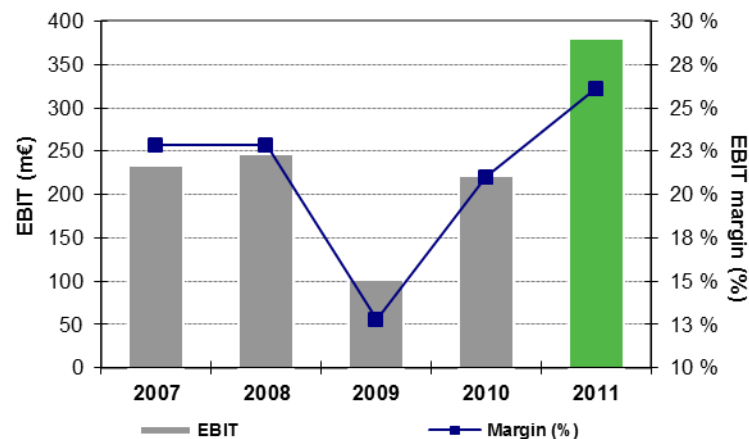
APPENDIX

Key figures 2007 - 2011

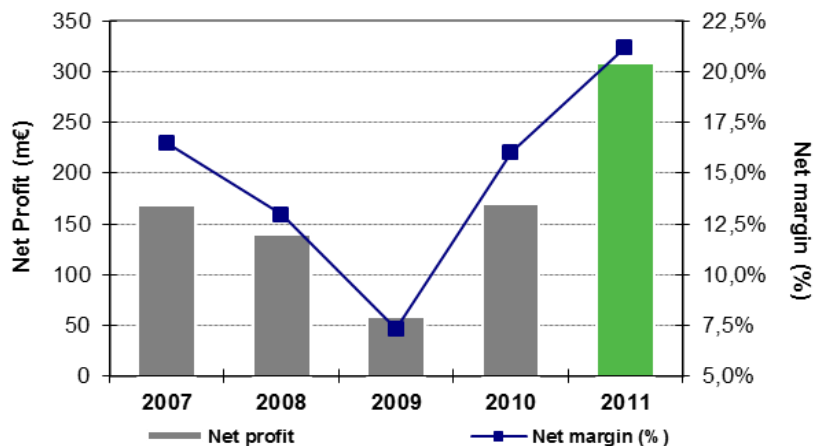
Net sales (m€) and Net sales growth (%)



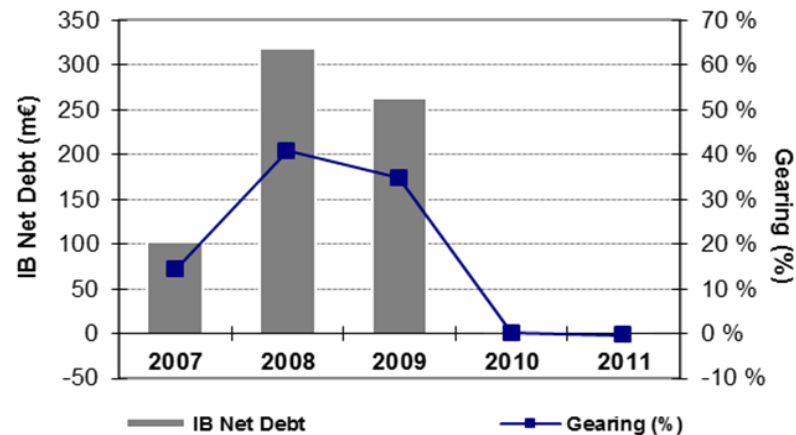
EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



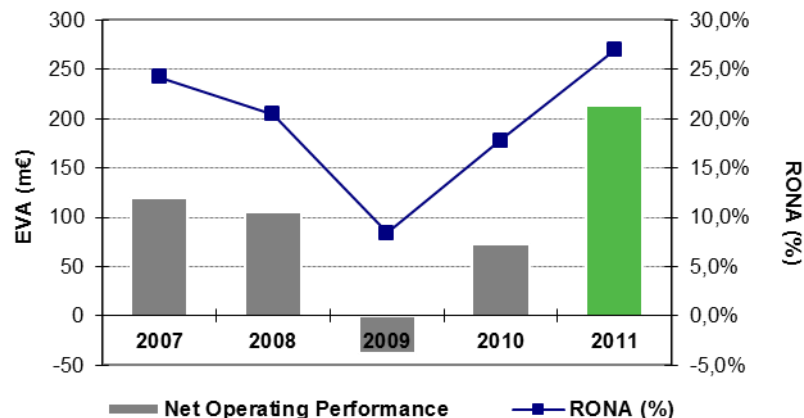
Interest bearing net debt (m€) and gearing (%)



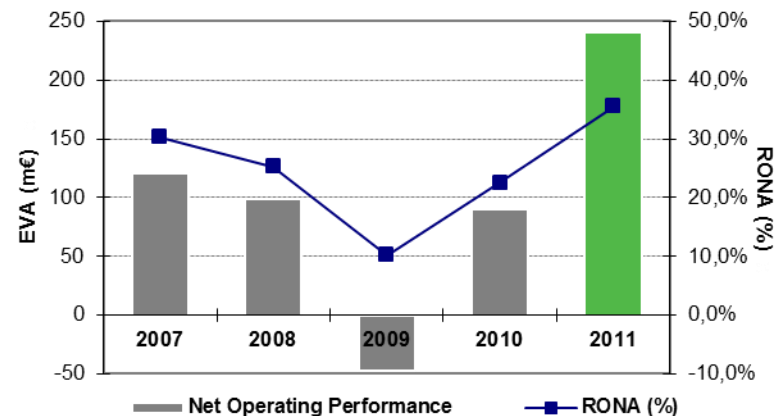
APPENDIX

RONA (%) and net operating performance (EVA) ¹⁾ 2007-2011

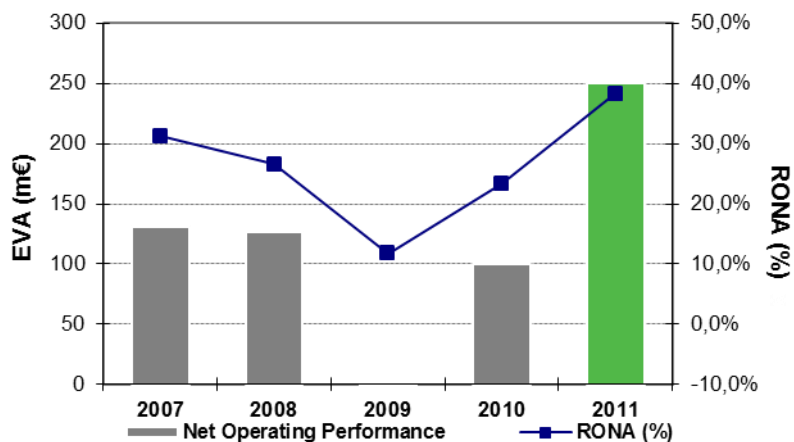
Group EVA (m€) and RONA (%)



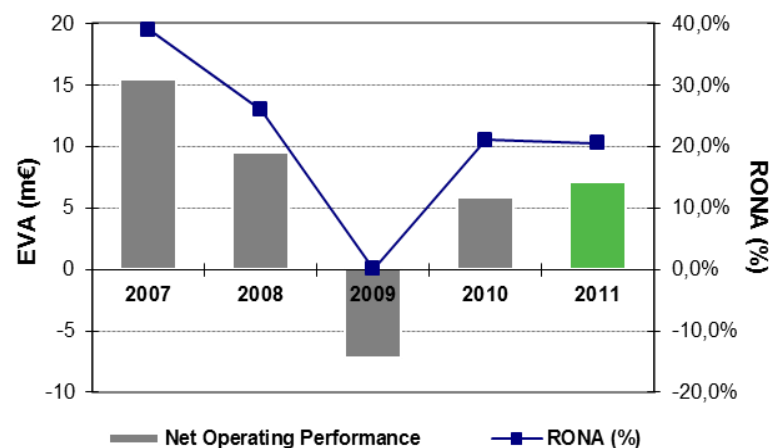
Manufacturing EVA (m€) and RONA (%)



Car and Van Tyres EVA (m€) and RONA (%)



Heavy Tyres EVA (m€) and RONA (%)



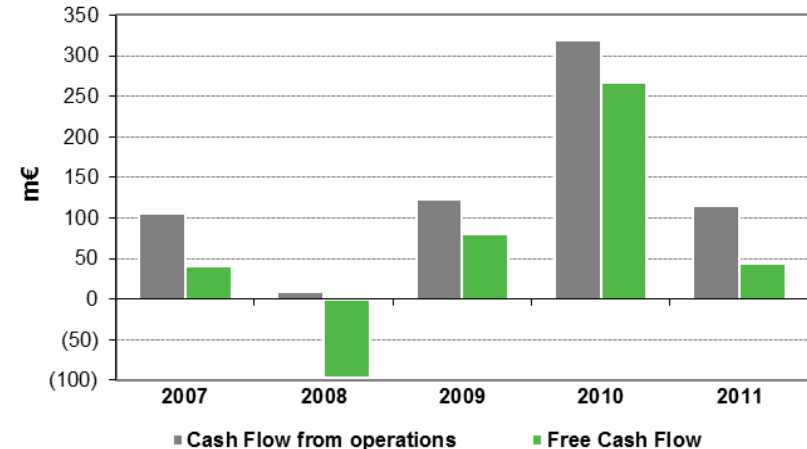
¹⁾ EVA is calculated based on 12% interest on capital employed.

APPENDIX

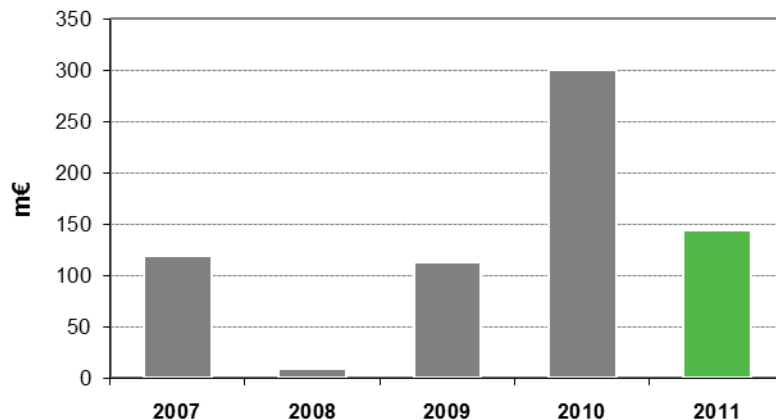
Group Operating Cash Flow and Free Cash Flow 2007-2011

- Cash flow from operations: 114.1 m€ in 2011
 - Investments of 161.7 m€ (50.5) weakened the Cash flow
 - Inventories' and Trade receivables increased along with sales growth
 - Russian receivables 18% (24%) of total at year end
 - Vianor NWC high due to higher inventory and low interest free short term debts; investments 2,1m€ higher than previous year

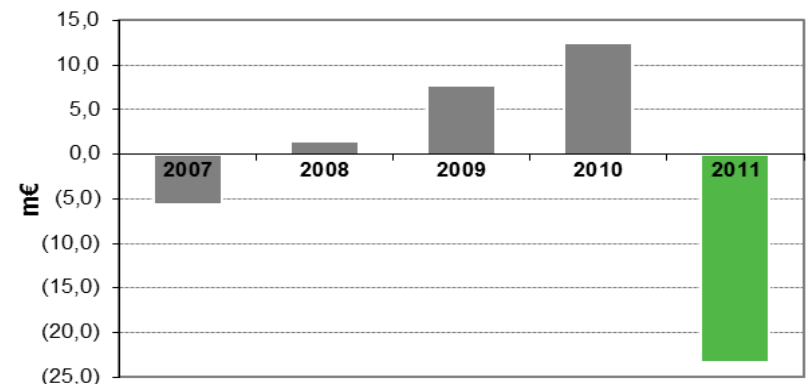
Group Cash Flow From Operations and Free Cash flow



Manufacturing Cash flow from operations



Vianor Cash flow from operations



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TYRES

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